

REAL ESTATE APPRAISER EXAMINING BOARD[193F]

Adopted and Filed

Pursuant to the authority of Iowa Code section 543D.5, the Real Estate Appraiser Examining Board hereby amends Chapter 1, “Organization and Administration,” Iowa Administrative Code.

The amendments in Items 1 to 5 update administrative information such as the Board’s address, hours, and committees. The amendments remove duplicated information that is also found in the rules of the Professional Licensing and Regulation Bureau [193].

The new rules in Item 6 provide specific dates and deadlines for individuals who want to become certified appraisers prior to January 1, 2015, in accordance with the federal criteria. The changes in federal criteria have been posted on the Board’s Web site after they were received from the federal regulatory agencies. Because the Board is charged with adopting rules to establish uniform appraisal standards and appraiser certification requirements and other rules necessary to administer and enforce this chapter and the Board’s responsibilities under Iowa Code chapter 272C, these rules are adopted to provide clarity and a time line to avoid any miscommunication with any individual. An individual who fails to meet these time lines will be required to meet the 2015 criteria as outlined and required by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation.

Rule 193F—1.18(543D) clearly informs individuals that the Board is required to maintain compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).

Rule 193F—1.19(543D) provides that any individual who wishes to apply for registration as an associate appraiser or certification as a certified appraiser will be required to meet the new criteria effective January 1, 2015.

Rule 193F—1.20(543D) provides guidance to avoid any miscommunication with any person and deadlines for credential upgrading.

Rule 193F—1.21(543D) sets forth the national criminal history check date of January 1, 2017. The Board has statutory authority pursuant to Iowa Code section 543D.22 to perform national criminal history checks only if needed to comply with federal guidelines. The Board was recently informed that the AQB changed the implementation date for the national criminal history checks to January 1, 2017.

Rule 193F—1.22(543D) sets forth the Board’s process for determining an individual’s eligibility as an associate or certified appraiser.

Notice of Intended Action was published in the Iowa Administrative Bulletin on April 2, 2014, as **ARC 1410C**. A public hearing was held on April 23, 2014. No public comment was received.

On April 11, 2014, the AQB announced the delay of the implementation of “Section VI background checks” in the AQB criteria effective January 1, 2015. As a result, the Real Estate Appraiser Examining Board has removed those requirements from subrules 1.19(2) and 1.20(2), paragraph 1.20(4)“c,” and rules 193F—1.21(543D) and 193F—1.22(543D).

In addition, the Board added Item 7 to amend and update the implementation sentence for Chapter 1. These amendments are subject to waiver or variance pursuant to 193—Chapter 5.

The Real Estate Appraiser Examining Board adopted these amendments on May 8, 2014.

After analysis and review of this rule making, no jobs impact exists.

These amendments are intended to implement Iowa Code chapter 543D.

These amendments will become effective July 2, 2014.

The following amendments are adopted.

ITEM 1. Amend subrule 1.1(2) as follows:

1.1(2) All official communications, including submissions and requests, should be addressed to the board at its official address, ~~1920 SE Hulsizer Road, Ankeny, Iowa 50021~~ 200 E. Grand Avenue, Suite 350, Des Moines, Iowa 50309.

ITEM 2. Amend subrule 1.2(1) as follows:

1.2(1) The board may appoint administrative committees ~~of not less than three nor more than five board members~~ for the purpose of making recommendations on matters specified by the board.

ITEM 3. Amend rule 193F—1.3(543D) as follows:

193F—1.3(543D) Annual meeting. The annual meeting of the board shall be the first meeting scheduled after April 30. At this time, the chairperson and vice chairperson shall be elected to serve until their successors are elected. ~~The election of these officers shall be the first order of business after hearing the reports of outgoing officers. The newly elected officers shall assume the duties of their respective offices at the conclusion of the meeting at which they were elected.~~

ITEM 4. Amend rule 193F—1.4(543D) as follows:

193F—1.4(543D) Other meetings. In addition to the annual meeting, and in addition to other meetings, the time and place of which may be fixed by resolution of the board, any meeting may be called by the chairperson of the board or by joint call of a majority of its members. ~~One week's notice shall be given for such meetings, and the notice must designate the time and place of the meeting.~~

ITEM 5. Amend subrule 1.6(1) as follows:

1.6(1) Any person may examine public records promulgated or maintained by the board at its office during regular business hours as provided in 193—Chapter 13. ~~The board maintains an office at 1920 SE Hulsizer Road, Ankeny, Iowa 50021. The office is open during regular business hours from 8 a.m. until 4:30 p.m. Monday through Friday. The office is closed Saturdays, Sundays, and official state holidays.~~

ITEM 6. Adopt the following new rules 193F—1.18(543D) to 193F—1.22(543D):

193F—1.18(543D) Qualified state appraiser certifying agency.

1.18(1) The real estate appraiser examining board is a state appraiser certifying agency in compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). As a result, persons who are issued certificates by the board to practice as certified real estate appraisers are authorized under federal law to perform appraisal services for federally related transactions and are identified as such in the National Registry maintained by the Appraisal Subcommittee (ASC).

1.18(2) The board must adhere to the criteria established by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation when registering associate appraisers or certifying certified appraisers under Iowa Code chapter 543D.

193F—1.19(543D) January 1, 2015, criteria.

1.19(1) Effective on and after January 1, 2015, the AQB has changed the criteria for eligibility for registration as an associate appraiser and certification as a certified appraiser. No person may be registered as an associate appraiser or certified as a certified appraiser on or after January 1, 2015, unless the person is eligible under the revised criteria.

1.19(2) The January 1, 2015, criteria were adopted by the AQB in 2011 and have been widely disseminated, including on the board's Web site at: <http://www.state.ia.us/government/com/prof/appraiser/home.html>.

a. For associate appraisers, the revised criteria place a five-year restriction on the time period in which qualifying education must be completed prior to the submission of an application for associate appraiser registration and require completion of supervisory appraiser/associate coursework by both the supervisory appraiser and the associate appraiser applicant.

b. For certified appraisers, the revised criteria modify the conditions under which applicants for certification are eligible to take the required examinations and require a bachelor's degree for all certified appraisers, including residential appraisers.

193F—1.20(543D) Application and work product deadlines.

1.20(1) *December 31, 2014, application deadline.* In order to be considered for registration as an associate appraiser or certification as a certified appraiser under the criteria in effect prior to January 1, 2015, an applicant must submit an original, fully completed application to the board office for the board's actual receipt no later than December 31, 2014, at 4:30 p.m.

1.20(2) *Deadline for associate appraiser applicants.* The associate appraiser and supervisory appraiser provisions are more fully set out in 193F—Chapters 4 and 15, respectively. Before submitting an application for registration with the board, a person seeking registration as an associate appraiser must complete 75 hours of appraisal education and secure a qualified supervisory appraiser. An associate appraiser applicant who submits an application to the board office after December 31, 2014, at 4:30 p.m. shall be subject to the January 1, 2015, criteria and will accordingly be subject to the five-year restriction on qualifying education and the supervisory appraiser/associate coursework.

1.20(3) *Summary of certification requirements before January 1, 2015.* As more fully set out in 193F—Chapters 3, 5, and 6, a person who is in the process of completing the education, experience, and examination required for certification as a certified appraiser may not submit an application for certification to the board until all prerequisites have been satisfactorily completed. The prerequisites include the following: qualifying college and core criteria appraiser education, qualifying examination, 2,500 hours of qualifying experience in a minimum of 24 months for residential appraisers or 3,000 hours of qualifying experience in a minimum of 30 months for general appraisers, and work product review. Work product review requires numerous steps, as provided in 193F—5.6(543D) and 193F—6.6(543D). The work product review process includes the applicant's submission of a work product experience log to the board; the board's selection of three appraisals to review; communication of the selected appraisals to the applicant; the applicant's submission of the three appraisals and associated work files to the board in electronic and paper formats; review of the appraisals and work files by a reviewer retained by the board; the reviewer's submission of review reports to the board; a meeting between the applicant and the board's work product review committee; a formal board vote at a board meeting; and communication of approval, denial, or deferral to the applicant. All of these steps must be completed before an applicant with approved work product can submit an application for certification to the board office.

1.20(4) *October 1, 2014, deadline for submission of appraisals and work files.*

a. As a result of the minimum periods of time needed to accomplish all work product review steps summarized in 1.20(3), an applicant for certification as a certified appraiser must fully submit to the board office the three appraisals and associated work files for work product review, as provided in 193F—5.6(543D) and 193F—6.6(543D), no later than October 1, 2014.

b. To allow sufficient time for board selection of three appraisals from the work product review experience log, board communication of the selected appraisals to the applicant, and applicant submission of the appraisals and work files to the board office by October 1, 2014, applicants for residential certification should submit their work product experience log to the board by September 1, 2014, and applicants for general certification should submit their work product experience log to the board by August 1, 2014.

c. Applicants for certification as residential or general certified appraisers who submit appraisals and work files for work product review on or after October 2, 2014, shall be considered for certification under the January 1, 2015, criteria. If an applicant submitting appraisals and work files for work product review on or after October 2, 2014, has previously passed the required examination, the examination results will remain valid for the 24-month period of validity, as described in 193F—Chapter 3.

193F—1.21(543D) National criminal history check. Effective January 1, 2017, all applicants for any of the classifications listed in 193F—1.17(543D) must satisfactorily complete a national criminal history check as provided in Iowa Code section 543D.22 as a condition of registration as an associate real property appraiser or certification as a residential or general real property appraiser.

193F—1.22(272C,543D) Process for board review of eligibility.

1.22(1) Before applying for registration as an associate appraiser or certification as a certified appraiser, a person with a criminal history or other background matters that may impair registration or certification may request that the board evaluate the prospective applicant's criminal history or other background matters by submitting a written request to the board. Upon receiving such a request, the board may request additional supporting materials.

1.22(2) Requests will be processed under the same standards as applications for registration or certification in order to inform the prospective applicant whether any of the disclosed information is or may be a bar to future registration or certification. In responding to a request, the board shall address only the offenses or matters listed in the request. The board's response will be based upon the laws, rules, and guidelines in effect at the time of the board's response, including the guidelines and policies promulgated by the AQB or ASC.

1.22(3) If the information supplied is not accurate or is incomplete, or if applicable laws, rules, or guidelines change or are impacted by intervening board orders or case law, the board's response shall not be binding on a future board.

ITEM 7. Amend **193F—Chapter 1**, implementation sentence, as follows:

These rules are intended to implement Iowa Code sections 543D.4, 543D.5, ~~and 543D.7~~, 543D.17, 543D.20 and 543D.22 and ~~chapters 252I, 261, and chapter 272C~~.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 5/28/14.